

September 16, 2011

**RFP 11-10**  
**LOUISIANA PUBLIC SERVICE COMMISSION**  
**REQUEST FOR PROPOSAL (“RFP”)**

***Docket No. U-32088 Entergy Louisiana, LLC In re: Application of Entergy Louisiana, LLC for relief from prior directive and order related to the proposed purchase of Entergy Power LLC’s interest in Unit 2 of the Independence Steam Electric Station (“ISES 2”).***

Pursuant to the provisions of the Louisiana Public Service Commission’s (“LPSC” or “Commission”) General Order dated August 4, 2004 regarding the selection of contract employees to represent the Commission, General Counsel, on behalf of the Commission, is seeking proposals from independent technical consultants to assist the Commission in reviewing the technical issues related to the above referenced docket. Any applicant who is chosen to represent the Commission shall be bound by the terms and conditions set forth in the General Order, as well as those included in this RFP and the applicant’s responsive proposal.

**I. Overview**

This proceeding is for the review of an application filed by Entergy Louisiana, LLC (“ELL”) on August 31, 2011 and published in the Commission’s Official Bulletin dated September 16, 2011. The Application seeks a Commission Order relieving ELL from further compliance with the directive issued by the LPSC at its February 14, 2008 Business and Executive Session that directed ELL to exercise the ISES 2 purchase option and from further compliance with the provision Commission Order No. U-30192 issued March 19, 2008 directing ELL to undertake, on an ongoing basis, studies of retention of the ISES capacity beyond the current ten-year PPA term. The application can be viewed on the LPSC’s web site at [www.lpsc.org](http://www.lpsc.org).

The Commission approved a Purchase Power Agreement between ELL and Entergy Power, Inc. (“ISES 2 PPA”) as reflected in Order No. U-25888 and U-27136-B (Corrected) issued June 5, 2003 (“ISES Order”). The ISES 2 PPA was approved as is a life-of-the-unit contract for approximately 51 MW of the output of Entergy Power, Inc.’s (now Entergy Power, LLC) ownership interest from the coal-fired ISES 2 unit. The Federal Energy Regulatory Commission later ordered that the term of the PPA should be limited to 10 years. (FERC Order 485 (September 27, 2006). ELL is currently buying approximately 60.5 MW of the capacity and energy output of the unit. The ISES 2 PPA expires May 31, 2013.

The ISES 2 PPA includes an option to purchase an interest in the ISES 2 unit – for the capacity and energy that is currently being purchased through the ISES PPA. ELL was directed in the ISES Order to perform an analysis of the benefits of exercising an option to purchase the ISES 2 plant and submit a copy of the analysis to Staff for review, no less than two years prior to the expiration of the option to purchase. Entergy’s current Application, ELL states that conditions have changed since 2008, and although ELL gave notice to Entergy Power, LLC notice of its intent to exercise the option, the ISES 2 purchase no longer appears to be an appropriate acquisition. This, ELL is asking the Commission to relieve ELL of the regulatory obligation to complete the ISES 2 purchase.

Applicants must be qualified to work together with the Commission Staff to analyze and resolve all issues presented by the application. All proposals shall include an outline of a plan of action for conducting the investigation, the hearings, if any, as well as any appeals to the Commission, together with estimated timelines and separate fees and costs associated therewith. However, in the event an applicant is chosen, Commission Staff shall have the right to determine how the tasks will be carried out. In addition, all proposals shall be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirements of this RFP.

In the event that it becomes necessary to revise any part of this RFP, an addendum will be mailed to each applicant who has timely submitted a proposal. Applicants will be given a minimum of five days to respond to any addenda.

## II. Scope of Representation

The Scope of Representation (“Scope”) includes working closely with in-house Commission Staff in reviewing the application, including the testimony filed by ELL in support thereof. The applicant will be expected to conduct discovery, prepare and defend direct testimony, participate in a certification hearing, and make a recommendation to the Commission. This process may include site visits and meetings with ELL representatives and Commissioners. Applicants will also be assisting Staff in preparation of any post-hearing briefs or filings, assisting in any settlement discussions and/or stipulation hearings and attendance and testifying at the Commission’s Business and Executive Session. The Scope includes all actions necessary to reach a final Commission Order. The Scope does not include representation of the

Commission in the event of an appeal of the Order to state or federal court.

The time period (“Period of Representation”) estimated to complete the Scope is approximately eight (8) months. This is merely an estimate and the Commission makes no representations as to the accuracy of the Period of Representation.

### III. Minimum Requirements

To be considered, all applicants must meet the following minimum requirements *in addition to those provided in* this Commission’s General Order dated August 4, 2004. Consideration will be given to factors such as educational background and achievement, practical experience in the field of public utility practice, and similar practice before the LPSC other state public utility commissions.

Applicants should have the understanding and ability to analyze the relief sought by the Companies in the Application. Applicants should be familiar with LPSC ratemaking and jurisdictional issues and the Commission’s Orders regarding the Formula Rate Plan of ELL. Applicant should also have experience in dealing with affiliate transactions and cost sharing among company affiliates. Applicants should also be familiar with the Commission’s Orders related to construction and/or acquisition of generating resources and power supply contracts, especially the MBM and 1983 Order, as amended; knowledge of electric utility resource planning and resource planning methods; and the public interest criteria for approval of the the PPA; any other relevant LPSC Orders.

Applicants shall be qualified to prepare and render expert testimony, and be cross-examined, with respect to all of the issues addressed in this RFP and which are likely to arise in the proceeding. Applicant shall, at a minimum, be experienced in analyzing the operations, books and records of utility companies and be qualified and prepared to render expert testimony regarding and have knowledge of:

- (1) appropriate accounting standards and practices for electric utilities and generally accepted auditing standards;
- (2) applications for purchase of additional regulated generation by investor-owned utilities;
- (3) the Commission’s Rules and Orders pertaining to the RFP process as it relates to the acquisition of power supply resources, including but not limited to the Commission’s MBM Order and its 1983 Order;
- (4) principles associated with purchase power contracts and the competitive process, including but not limited to analyzing whether or not a particular

resource meets the utility's need for power and whether the considered resources are able to meet those needs;

- (5) whether or not a resource will provide reliable service at the lowest reasonable cost;
- (6) resource planning methods to improve the efficiency of a utility's power supply operations and whether the utility is making use of any such methods;
- (7) public interest criteria for approval of the PPA;
- (8) Commission rules on affiliate transactions; and
- (9) appropriate allocations of costs to base rates and fuel.

#### IV. Estimate the Cost

All applicants responding to the Request for Proposal shall quote their rates on an hourly basis and shall submit an estimated total budget divided into professional fees and expenses. Professional fees and estimated expenses should be itemized separately. Applicants shall only be allowed to charge for actual hours of work performed and expenses incurred. Once selected, an applicant's rates and budget shall not be altered except by formal approval of the Commission.

#### V. Disclosure of Conflicts of Interest

Applicants shall prominently disclose current, as well as past employment, which could possibly result in a conflict of interest. Consultants must disclose any possible conflicts of interest. In addition, applicants shall disclose matters in which they currently represent clients before the Commission.

#### VI. Disclaimer

The LPSC reserves the right to reject any proposals, to amend and/or supplement this RFP at any time, and to consider proposals or modifications thereof received at any time prior to LPSC vote at Open Session, if such action is found by the LPSC to be in the public interest. Pursuant to the Commission's August 4, 2004 General Order, the LPSC has the right to accept bids other than the lowest offer with regard to price. In addition, there is also no assurance, express or implied, that an award will be made pursuant to this RFP.

#### VII. Billing Guidelines

As required by the August 4, 2004 General Order, all bills will be rendered monthly and shall specifically identify and describe all work performed, the person performing such work, the time and charge for such work, and shall additionally show the total amount billed to date and the authorized original estimate. Bills will be rendered in strict accordance with the Commission's guidelines. Expenses shall also be separately disclosed with proof of such expenses attached.

Expenses, where applicable, shall be reimbursed at state authorized rates as specified in the Travel Policies and Procedures Memorandum issued by the State of Louisiana, Division of Administration in effect at the time such expenses are incurred ("Allowable Expenses"). Any expenses that exceed the Allowable Expenses shall be borne by the contract employee and shall not be reimbursed by either the Commission, or the correspondent utility, unless otherwise specified by the Commission.

#### VIII. Procedure to Submit Proposals

Interested parties should submit the *original (hard copy), six (6) copies, and e-mail an electronic copy* of the proposal to:

Attention: Lisa Boudreaux  
Louisiana Public Service Commission  
Office of the General Counsel  
602 North Fifth Street (Galvez Building) (70802)  
P.O. Box 91154  
Baton Rouge, Louisiana 70821-9154  
Phone: (225) 342-1418  
Fax: (225) 342-5610  
Email: lisa.boudreaux@la.gov

To be considered, an original, six copies, and the electronic copy of the proposal must be received on or before **October 11, 2011**. Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-1418.